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Message Text

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AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA

C O N F I D E N T I A L STATE 082990

FOLLOWING REPEAT PARIS 10370 SENT ACTION SECSTATE INFO ANKARA
BONN MAR 29.
QUOTE C O N F I D E N T I A L PARIS 10370

USOECD

PASS TREASURY AND AID

E.O. 11652: GDS
TAGS: EFIN, EAID, TU, GW, OECD
SUBJECT: TURKISH CONSORTIUM

REF: A) STATE 79054, B) STATE 77161, C) PARIS 10147,
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D) PARIS 10034

1. TURKISH PERM REP AYTUR CONTACTED AMBASSADOR AND
MISSION OFFICER (SEPARATELY) INDICATING HE HAD BEEN
CHARGED BY TURKISH FINANCE MINISTER MUEZZINOGLU (WHO
PASSED THROUGH PARIS OVER THE WEEKEND) TO MAKE SOME
FURTHER SOUNDINGS ON THE PROPOSED INFORMAL MEETING

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OF TURKISH CONSORTIUM ON APRIL 10 (REFTELS C AND D). ACCORDING TO AYTUR, MUEZZINOGLU WAS CONCERNED ABOUT SOME OF THE SIGNS OF HESITANCY ABOUT THE TURKISH CONSORTIUM WHICH HE HAD FOUND WITHIN USG DURING HIS WASHINGTON VISIT AND HAD ASKED AYTUR TO BE IN CONTACT WITH DELEGATIONS AND OECD SECRETARIAT TO TRY TO GET A BETTER FIX ON WHETHER A MEETING ON APRIL 10 WOULD BE LIKELY TO BE FRUITFUL. ONE QUESTION IN THIS REGARD ON WHICH AYTUR HAS BEEN ASKED TO ADVISE MUEZZINOGLU IS WHETHER GIEL AND KUEHN'S IMMINENTLY SCHEDULED VISIT TO ANKARA SHOULD BE DISCOURAGED.

2. AYTUR SAID THAT TURKISH AUTHORITIES WOULD LIKE TO BE SURE THAT THERE WOULD BE SOME POSITIVE RESULT FROM A MEETING ON APRIL 10, EVEN IF ONLY OF A PROCEDURAL SORT (I.E., ONE KIND OF PROCEDURAL RESULT -- NOT NECESSARILY EXCLUSIVE -- THAT SEEMED SATISFACTORY TO AYTUR WOULD BE AN INDICATION THAT DEBT RESCHEDULING QUESTIONS MIGHT BE TAKEN UP IN THE PARIS CLUB CONTEXT, THAT VARIOUS NATIONAL EXPORT CREDIT INSTITUTIONS WOULD BE WILLING TO EXAMINE NEW PROPOSALS FOR CREDITS TO TURKEY, THAT IBRD WOULD BE LOOKING AT PROSPECTS FOR LONGER-TERM LOANS, THAT PRIVATE BANKS WOULD BE INVITED TO RE-EXAMINE TURKISH SITUATION, THAT OECD'S ECONOMIC AND DEVELOPMENT REVIEW COMMITTEE (EDRC) WOULD CONDUCT AN EARLY REVIEW OF TURKISH ECONOMY, AND CONFIDENTIAL

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THAT OECD CONSORTIUM WOULD MEET PERIODICALLY AND MONITOR PROGRESS IN THE VARIOUS INDIVIDUAL ACTIVITIES). TURKS DID, HOWEVER, ALSO WANT CONCLUSIONS TO EMERGE FROM APRIL 10 MEETING FOR DISSEMINATION (PRESUMABLY THEY HAVE IN MIND A TEXT THAT WOULD BE NEGOTIATED AT THE MEETING). AYTUR UNDERSCORED THAT TURKS WERE FLEXIBLE AS TO THE PARTICULAR FORM THAT THE CONSORTIUM MIGHT TAKE IN THE FUTURE. THEY RECOGNIZED FOR EXAMPLE THAT IT MIGHT BE USEFUL TO HAVE ARRANGEMENTS WHEREBY NON-OECD MEMBERS MIGHT PARTICIPATE IN A "NEW STYLE" CONSORTIUM. HOWEVER, HE SAID THAT THE TURKS DID ATTACH CONSIDERABLE IMPORTANCE TO THE OECD CONNECTION, IN SOME FORM, AS A SYMBOL OF THEIR LINKS WITH THE WEST AND PARTICULARLY WITH EUROPE. THIS LATTER WAS A POLITICAL POINT THAT HE PARTICULARLY WANTED TO CONVEY TO THE U.S.

3. AYTUR INDICATED THAT DUE TO THE EASTER HOLIDAY HE HAD NOT HAD MUCH LUCK IN CONTACTING OTHER DELEGATIONS, BUT HE HAD TALKED WITH SECGEN VAN LENNEP AT HIS VACATION SITE. VAN LENNEP SAID THAT HE WAS FAVORABLE TO HAVING AN INFORMAL MEETING OF THE OECD CONSORTIUM,

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BUT HE UNDERSTOOD THE U.S. HAD SOME PROBLEMS WITH USING THE CONSORTIUM, AT LEAST ALONG THE TRADITIONAL LINES. HE SUGGESTED THAT AYTUR TRY TO OBTAIN BETTER IDEA OF U.S., GERMAN AND FRENCH ATTITUDES. VAN LENNEP SAID THAT IN ADDITION TO GIEL AND KUEHN, IT MIGHT BE USEFUL TO SEND A RESPONSIBLE SECRETARIAT OFFICIAL TO ASSIST IN THE MISSION TO TURKEY. HE WAS AGREEABLE TO AN EARLY EDRC REVIEW OF THE TURKISH ECONOMY AND ALSO TOLD AYTUR THAT ORGANIZATIONALLY IT WOULD MAKE SENSE TO TRANSFER SECRETARIAT SUPPORT FOR TURKEY FROM THE FINANCIAL AFFAIRS DIRECTORATE, WHERE THE TURKISH CONSORTIUM IS NOW LODGED, TO THE ECONOMICS AND STATISTICS DIRECTORATE, WHICH HAS BROAD RESPONSIBILITY FOR THE ECONOMIC AFFAIRS OF MEMBER COUNTRIES.
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4. WE HAVE INDEPENDENTLY BEEN IN TOUCH WITH SECRETARY GENERAL VAN LENNEP'S OFFICE. WE UNDERSTAND THAT VAN LENNEP'S INCLINATION IS TO SUPPORT THE MISSION TO TURKEY BY GIEL AND KUEHN, JOINED BY ANOTHER MEMBER OF THE SECRETARIAT, AND TO BELIEVE THAT HOLDING A PRELIMINARY CONSORTIUM MEETING ON THE 17TH WOULD BE APPROPRIATE AS A SYMBOL OF OECD'S SOLIDARITY WITH TURKEY. HOWEVER, IT SEEMS PREMATURE TO THE SECRETARIAT TO EXPECT THAT THE APRIL 10 MEETING COULD BE MORE THAN AN OCCASION AT WHICH THE GIEL/SECRETARIAT MISSION TO TURKEY WOULD REPORT TO OECD MEMBER COUNTRIES ON THE SITUATION AND PROBLEMS OF TURKEY. IN OTHER WORDS, SECRETARIAT BELIEVES REALISTIC FORMAT FOR APRIL 10 WOULD BE "INFORMATION MEETING", WITHOUT EXPECTATION THAT MEMBER COUNTRIES WOULD BE ABLE TO GIVE ANY FIRM INDICATIONS OF WHAT THEY ARE WILLING TO DO.

5. ACTION REQUESTED: MISSION WOULD APPRECIATE GUIDANCE BY MARCH 30 ON THE ABOVE THAT WE COULD PASS ON TO AMBASSADOR AYTUR AND TO THE SECRETARIAT.
SALZMAN UNQUOTE COOPER

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